

# Contents

Management commentary	1
Introduction	1
Strategic report	2
Finance Director's report	10
Sustainability report	12
Chief Executive's report	18
Structure of the Authority	18
Governance statement	28
Remuneration report	42

# **Management commentary**

## **Introduction**

The British Transport Police Authority (“the Authority”) is an executive non-departmental public body of the Department for Transport (“DfT”), established under section 18 of the Railways and Transport Safety Act 2003.

This Annual Report is submitted to the Secretary of State for Transport under section 58 of the Act.

This Statement of Accounts has been prepared in accordance with the 2013-14 Government Financial Reporting Manual (“FReM”) issued by HM Treasury. This Statement of Accounts for the British Transport Police Fund is presented to Parliament pursuant to Schedule 4, Part 3 17(b) of the Act.

This Statement of Accounts meets the requirements of the Railways and Transport Safety Act 2003. The Statement of comprehensive income for the year is shown on page XX and the Statement of changes in taxpayers’ equity on page XX. The statement of financial position and statement of cash flows are shown on pages XX and XX respectively.

Ordered by the House of Commons to be printed XX June 2015.

## **Strategic Report**

### **Principal activities**

The Authority is the governing body for British Transport Police (“BTP”), and is responsible for overseeing the provision of an efficient and effective police service for the country’s rail network. It is an executive non-departmental public body of the DfT, established on 1 July 2004 under the Railways and Transport Safety Act 2003.

It is the Authority’s statutory duty to defray the expenses of BTP and the Authority through contributions from the railway industry. In exercising its statutory duty the Authority consults widely to ensure that the railway community, including the train operators, their staff and their passengers, receive the best possible value from BTP.

The Authority also works closely with the Scottish Government (to which policing in Scotland and the ScotRail franchise are devolved) and the Welsh Government. The Authority’s membership includes a person who has knowledge of the interests of persons in Scotland, who is appointed following consultation with the Scottish Ministers, as well as a person who has knowledge of the interests of persons in Wales, and who is appointed following consultation with the National Assembly for Wales. These two posts are appointed jointly with the devolved administrations.

BTP is the national police force for the country’s rail network. It is responsible for policing the infrastructure maintained by Network Rail, and the trains and stations of the passenger and freight companies operating mainline rail services. BTP also provides policing services to Transport for London services, including London Underground, Docklands Light Railway and Croydon Tramlink Limited, and other metro systems across the UK.

These rail businesses provide a transport service to approximately six million people every day. The rail network is a potential target for terrorist activity. BTP must therefore have an effective counter-terrorist capability which it continues to develop to match the threat. BTP has additionally developed significant expertise in dealing with organised events, providing a well co-ordinated national service for the controlled movement of large numbers of people across the network to attend major sporting and other events.

### **Accounting Officer Role**

I have been the Principal Accounting Officer for the Authority since 12 April 2010. As Accounting Officer I have responsibility for overseeing the Authority’s responsibilities, which include developing a strategy, setting a budget, recovering costs from the rail industry and overseeing BTP’s operational performance.

I appointed the Chief Constable as an additional Accounting Officer. These arrangements have allowed the Chief Constable to concentrate on his policing responsibilities.

## Key performance indicators

The Authority sets objectives for policing before the beginning of each financial year in the Authority's Policing Plan. These objectives serve as the Authority's key performance indicators. Local policing plans are also put in place each year to both support the national objectives and to recognise local initiatives and issues.

## Performance

The Authority's 2014-15 national policing plan performance targets together with a comparison against the previous year, where available, are set out below.

National Policing Plan targets	Target achieved	2014-15		2013-14
		Performance	Target	Performance
Reduce police related disruption minutes by at least 6% on the 2013-14 figure	✘	1,240,530	1,167,640	1,242,171
Non-suspicious and unexplained fatalities to be cleared within an average of 90 minutes	✓	81	90	76
Average partial re-opening time to be no more than 45 minutes on four track lines	✓	40	45	n/a
Reduce notifiable crime (excluding police generated crime) by at least 4%	✓	44,017	44,648	46,508
Average days lost through sickness to be less than 7.3 days per year	✘	7.36	7.30	7.34
To achieve a passenger confidence rating of at least 77.5% (stated performance figure is based on Autumn 2014 NRPS. 2014-15 target to be measured against Spring 2015 NRPS)	✘	77.25%	77.5%	76.6%
To spend 67% of budget on frontline resources	✓	67%	67%	65%

## Crime

In 2014-15 recorded notifiable crime on the railways decreased for the eleventh consecutive year. Notifiable crimes decreased by 8% compared to 2013-14. This represents a 13% reduction compared to 2012-13. Compared to 2013-14, theft of passenger property decreased by 16% and robbery decreased by 18%.

Non-notifiable crimes decreased by 22% compared to 2013-14. As a result, the total number of crimes, including both notifiable and non-notifiable offences, was down by 14% compared to 2013-14.

These reductions in crime have come in the context of increasing passenger journeys in recent years. Official data for 2014-15 is yet to be published at the time of writing, however, the Office of Rail and Road (ORR) reports that there were 1.59 billion passenger journeys made in Great Britain on franchised operators in 2013-14, this was a 5.7% increase compared to 2012-13. Transport for London (TfL) reports that there were 1,265 million passenger journeys on London Underground and 101.6 million journeys on Docklands Light Railway (DLR) in 2013-14, up from 1,229 million on London Underground and 100.0 million on DLR in 2012-13.2

### **Disruption targets**

Authority stakeholder consultation activities with industry partners have identified reducing disruption as a key priority. This resulted in reducing disruption being a priority theme in the Strategic Plan.

The 2014-15 Policing Plan included specific targets to reduce police-related lost minutes by at least 6%, for non-suspicious and unexplained fatalities to be cleared within an average of 90 minutes, and to achieve an average partial re-opening time of no more than 45 minutes on four track lines.

There was a 0.1% decrease in police-related lost minutes in 2014-15. This followed a 6% increase in 2013-14, and represented a 6% increase compared to 2012-13.

In 2014-15 there was a 45% reduction in police related lost minutes linked to cable vandalism/theft, compared to 2013-14; there was a 2% increase in fatalities/injuries caused by being hit by a train but a 10% decrease in lost minutes associated with these incidents. Lost minutes caused by trespass increased by 17%. Non-suspicious and unexplained fatalities on the railway were cleared in an average of 81 minutes.

BTP has five year strategic objectives, for 2013-19, to:

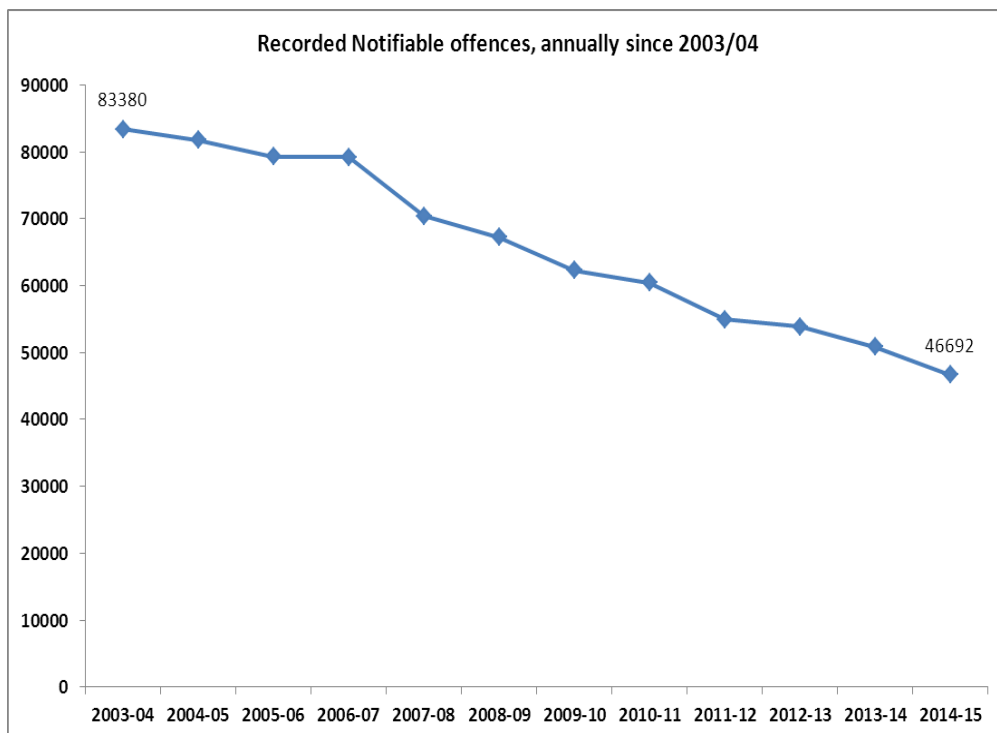
- Reduce minutes lost to police-related disruption by at least 20% on the 2012-13 outturn figure.
- Reduce crime on the railway by at least 20% on the 2012-13 outturn figure.
- Increase passenger confidence with personal security on train and on station by at least 10%.
- Achieve the targets above within a Medium Term Financial Plan with annual cost increases within RPI.

### **Reduce Crime on the railway by 20%**

- BTP recorded 2,491 (5%) fewer notifiable offences (excluding police generated) in 2014-15 than in 2013-14, the eleventh successive annual

reduction in notifiable crime. Over the eleven years, recorded notifiable crime has fallen by a total of 44%, from 83,380 offences to 46,692.

- Due to the success of Operation Magnum, theft of passenger property (“TOPP”) reduced by a further 2,226 (16%) offences. Tactics used as part of Operation Magnum have included intelligence led proactive deployments and targeted multi-agency operations; crime prevention advice and media campaigns to highlight awareness and prevent members of the public from becoming victims; use of smart-phone tracking applications; an integrated offender management strategy, that addresses criminal behaviour in the longer term; and work with the Association of Train Operating Companies (ATOC) to develop a single national lost property policy.
- BTP’s other main reductions were achieved in robbery (down 81 offences, 18%); serious public order offences which includes crimes such as public nuisance offences, affray, violent disorder and riot offences (down 254 offences, 5%); and cable theft (down 316 offences, 40%).



**Chart 1 Recorded Notifiable offences, annually since 2003-04**

**Reduce delay minutes lost by 20%**

- There was a marginal increase of 0.1% in police related lost minutes (“PRLMs”) in 2014-15. Of the 2014-15 PRLMs, one per cent of Network

Rail incidents caused 41% of the PRLMs, which were mainly suicidal trespassers.

- Cable PRLMs have decreased by a further 30,810 (45%) to 37,687 in the last year. This is consistent with the reduction in cable theft offences, which fell by 40% compared to 2013-14. Since 2010-11, this represents a 90% reduction in PRLMs and an 83% reduction in cable theft offences.
- BTP's clearance times for non-suspicious and unexplained fatalities ranged from 24 to 268 minutes. BTP's average clearance time for non-suspicious and unexplained fatalities was 81 minutes, achieving the 90 minutes fatality management target.

### **Increase passenger and staff confidence by 10%**

- Passenger confidence is measured using passengers' responses to questions about personal security in Passenger Focus's National Passenger Survey (NPS) which are completed twice a year in Spring and in Autumn.
- BTP's important strategic objective is how passengers rate their personal safety. In the Spring 2013 survey 75.2% of respondents rated their personal security "Good" or "Very good".
- BTP achieved a passenger confidence rating of 77.25% in the Autumn 2013 survey, up 1.15 percentage points on the previous year. Spring 2015 survey results are due at the beginning of July 2015.
- 83% of the 4,456 respondents to the 12 Victims of Crime Surveys in 2014-15 were satisfied with five out seven sub-Divisions achieving a satisfaction rating of at least 84%.
- An annual survey of railway industry staff was conducted by BTP for the first time in March 2014. There were 1,577 responses from rail staff, employed by 21 train operating companies. 65.1% of respondents rated their personal security at work "Good" or "Very good".

## Communications strategy

2014-15 was the fifth year of the Authority's communications strategy, designed to support the delivery of the strategic plan and better engage the Authority's stakeholders.

The Authority has identified seven key stakeholder groups who have been consulted in implementing year 3 of the Authority's 2013-19 Strategic Plan, including the Policing Plan for 2015-16:

- Police Service Agreement ("PSA") holders, the passenger, freight and infrastructure companies that fund the Authority and the BTP through the annual PSA charges.
- Rail passengers and their representative groups, both national and regional, the key one of these being Passenger Focus.
- Other rail stakeholders including the Rail Delivery Group, the Association of Train Operating Companies, Rail Freight Group, Passenger Transport Executives and the Office of Rail Regulation.
- Police officers and staff and their representatives including British Transport Police Federation, Police Federation, British Transport Police Superintendents Association, Superintendents Association, Transport Salaried Staff Association and other staff support groups – a key topic for consultation this year was the development of a new officer pension scheme.
- Rail staff and their representatives and unions including Transport Salaried Staff Association, RMT and ASLEF.
- Groups involved in policing in the UK including the Home Office, Association of Chief Police Officers, Her Majesty's Inspectorate of Constabulary, Association of Police and Crime Commissioners, Police and Crime Commissioners, the National Crime Agency and College of Policing.
- Governments (including UK, Scotland and Wales) and government agencies including the DfT and Home Office

Other communications activities during the year included:

- The Authority's marked its ten year anniversary in 2014 with a stakeholder engagement campaign entitled 'Ten years – Shaping progress together' aimed at significantly developing dialogue with BTPA partners. The campaign sought to;
  - highlight the success of the BTPA over the last ten years and demonstrate the Authority's continued commitment to working with all of its stakeholders to deliver the best possible policing for Great Britain's Railways.
  - Use digital communications to increase engagement .



- Endorse the successful work of the Authority – support came from key stakeholders including the Minister of State for Transport Baroness Kramer, Network Rail and Passenger Focus<sup>1</sup>.
- Engage with Heads of Security in addition to Managing Directors and Finance Directors - to this end BTPA launched its first survey with heads of security to measure its reputation. Feedback from this survey and other drivers was used to formalise ten commitments to industry to be delivered by 2017
- The Authority secured regular media coverage in 2014 - 15 including a column in a respected trade magazine and internally via BTP's communications channels which allowed us to push key messages to a core group of stakeholders
- BTPA has worked successfully with BTP on joint communications matters ranging from issuing statements, to responding to consultations
- Between 2014 -15 BTPA has generated unprecedented media coverage on the role of the Authority, visitor numbers to the website has doubled, the Chair of the BTPA has a regular column in an industry publication and the Authority has responded to key requests from industry with a plan of work made public in the form of ten commitments.

### **Developments in the rail and policing worlds**

The Authority is a member of the Association of Police and Crime Commissioners (“APCC”), and has continued to contribute to national coordination work led by the APCC as well as engaging with individual PCCs on issues affecting their constituencies.

Key activities during 2014-15 included:-

- Engagement with Police and Crime Commissioners (PCCs) and other governance bodies to influence the development of policing policy in the areas of:-
  - Reform of police complaints and disciplinary system,
  - The establishment of a new Police Chiefs’ Council
  - Workforce issues / Police Conditions of Service
- The Authority has overseen the transition to a new model of Victim Services commissioning, engaging with the Ministry of Justice, PCCs and other partners to ensure it is able to operate effectively in the new landscape

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<sup>1</sup> On 30 March 2015 Passenger Focus became Transport Focus

- The Authority has also been closely involved in renewing the BTP's focus on its work with vulnerable victims and young people, working with the Department for Transport, Train Operators and other partners.
- The Chairman of the Authority continues to serve on the Governing Boards of the College of Policing and the Police ICT, thus contributing to the development of these important national agencies.
- A response was provided to the HMIC consultation on its business plan for 2015-16 highlighting those areas of particular importance to the policing of the railway and specifically inspections which would provide evidence of the delivery of our strategic objectives to 2019

The Authority is an associate member of the Rail Delivery Group (RDG) which brings together the owners of Britain's passenger train operating companies, freight operators and Network Rail to provide leadership to Britain's rail industry. BTPA continues to be a member of both the RDG's Policing and Security (P&S) sub-group and its Implementation Group which shape and oversee the work of the rail industry in relation to policing and security matters. Its remit is as follows;

The work of the P&S sub-group in has been largely influenced by the priorities within the BTPA Strategic Plan 2013-19 and RDG themes for the current year have included;

- Developing an overall security strategy for the railway
- Technology requirements arising from the strategy
- Communications
- Sharing good practice
- Addressing police related disruption

### **Independent custody visits**

Independent custody visitor panels comprise of volunteers who visit police custody facilities, usually in pairs, on a weekly or monthly basis depending on the size of the facility. Visits are, as far as possible, random and unannounced with the volunteers speaking with those being held in police custody to ensure their welfare needs are being met, as well as inspecting the conditions in which detainees are being held. Volunteers then report back to the Authority with any recommendations. Visits have been made over the past year to Authority facilities in Liverpool, London, and Manchester.

### **Principal risks and uncertainties**

The principal risks and uncertainties to the Authority are detailed in the Governance Report on pages 28 to 41.

## **Authority Members and Senior Management**

During the year there were 4 female (2013-14: 5) and 9 male (2013-14: 11) Authority Members.

During the year there was 1 female (2013-14: 1) and 3 male (2013-14: 3) Senior Management. The Senior Management team includes the two Accounting Officers (the Chief Executive and the Chief Constable of BTP) and the Finance Director.

## **2. Finance Director's report**

### **Financial performance**

The net deficit for the financial year was £24.8m (2013-14: £43.7m), £28.9m of which relates to an IAS 19: *Employee Benefits* pensions ("IAS 19") accounting adjustment. The operating surplus for BTP and BTPA, excluding other amounts that are posted for financial accounts purposes only, is £1.9m.

The Authority has given approval for £0.79m of the surplus to be passed back to PSA holders via a deduction of their charges for 2014/15. The remaining £1.1m is to be used to fund the Transformation Programme in 2015/16 which is being implemented to bring about transformational change across the whole of the BTP including implementing an Integrated Systems Programme, Enterprise Data Warehouse and also Mobile Solutions Strategy across the whole force.

### **Improving efficiency**

In December 2014, the Authority approved the 2015-16 Overground Revenue Budget of £208.7m and the BTPA Budget of £2.0m, giving a total budget of £210.7m. The total budget of £210.7m was an increase of 1.7% compared to 2014-15. In addition, £1.6m of underspend from previous financial years was used to reduce the amounts recharged to the PSA holders. This represents a real reduction in the total cost of policing the railways has been achieved through improved efficiency at BTP and the Authority.

### **Going concern**

After adopting IAS 19: *Employee Benefits*, the opening financial position as at 1 April 2014 shows net pension liabilities of £356.5m. The net liability of the scheme on 31 March 2015 was £630.3m, an increase of £273.8m in the year.

The reason for this change is the lower discount rate assumption which has increased the benefit obligation. This has only been partially offset by asset returns in excess of those assumed at the beginning of the year. The DfT, as the Authority's sponsoring department, has agreed to underwrite any pension shortfalls.

The Authority is confident that sufficient resources are available from Police Service Agreements ("PSAs"), Enhanced Police Service Agreements and

other forms of income to fund its future expected expenditure. Accordingly it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### **Creditor payments**

The Authority observes the principles of the Department of Business, Innovation & Skills (“BIS”) prompt payment guidance and aims to pay all approved invoices in accordance with its stated payment terms or otherwise within 30 days of receipt of a valid invoice. Copies of the guidance are available from BIS. The Authority uses government procurement cards for small low risk payments. These are paid immediately to the supplier and are not included in the following results.

The Authority had agreed a performance target for 2014-15 of 90% of invoices paid within 30 days of receipt of invoice. In 2014-15 85.2% (2013-14 91.6%) were paid within 30 days of receipt of invoice. On average the Authority takes 21 days (2013-14: 16 days) from receipt of invoice to payment.

### **British Transport Police Force Superannuation Fund (BTPFSF)**

With effect from 1 April 2015, new entrants to the Fund have joined the new Career Average Revalued Earnings (CARE) section which aims to provide benefits which are broadly equivalent to those provided by the Home Office for new officers. On this basis members earn benefits each year based on their salary in that year revalued to retirement in line with CPI plus 1.25% per annum. Whilst all existing members continue to earn final salary benefits, members who joined on or after 1 April 2007 now pay increased contributions equal to 40% of the total cost of benefits from time to time, in line with all other members of the Fund. This means that all such members pay a contribution of 12% per annum of Pensionable Salary from 1 April 2015.

## **SUSTAINABILITY REPORT**

### **Commentary on sustainability performance**

The Authority has been mandated as part of the Greening Government Commitment (GGC), to become a more sustainable organisation by reducing carbon emissions, mitigating environmental impacts and minimising revenue costs.

The sustainability agenda is closely aligned with the Strategic Plan objective to deliver value for money through continuous improvement. It is an important means of delivering on the National Policing Plan target to increase value for money.

The GGC sets out quantitative and qualitative targets to achieve over the five years 2009-15, starting from a baseline year in April 2009 and ending in April 2015. The scheme requires:

- a 25% reduction in carbon emissions from buildings and transport
- a 20% reduction in domestic business travel flights
- a 25% reduction in general waste
- a 25% reduction in paper consumption
- a net reduction in water consumption per full time employee (FTE).

The Authority's progress towards meeting GGC targets is overseen by the Department for Transport (DfT) and is monitored by the Cabinet Office and HM Treasury. Best practice ideas are being shared with the Department for Transport Sustainability Group and with the National Police Estates Group (NPEG) Environment Team.

Moving forward the GGC remains in place for 2016-17, although may be subject to change depending on the outcome of the 2015 election. The long term sustainability goals of the UK Government are underpinned by the Climate Change Act (2008) which mandates the UK to reduce its carbon emissions by 80% by 2050 against a 1990 baseline.

A new Energy Manager was appointed at the start of 2015 and has been tasked with producing a Force Sustainability Strategy setting out a programme to reduce BTP's carbon footprint by 2019.

Force level key performance indicators have been endorsed the 2015/16 performance year and will report on progress against annual targets of:

- A 5% reduction in carbon emissions from energy, fleet and business travel
- A 5% increase in the proportion of waste recycled.

These targets are agreed with the Department for Transport and are aligned with is the reporting requirements of the GGC.

## Summary of performance

Table 1 below presents progress against the GGC targets, both for the past year 2014-15 as well as for the overall five-year period of the targets from 2009-10.

**Table 1: BTP outcomes against Greening Government Commitment targets**

Target	%	2014-15 progress	Overall outcomes 2009-2015
Reduction in carbon emissions from buildings and transport	-25%	0.33%	-2%
Reduction in domestic business travel flights	-20%	-48.86%	-29%
Reduction in general waste**	-25%	14.89%	-23%
Reduction in paper consumption	-25%	-23.44%	-19%
Net reduction in water consumption per FTE*	>	-19.17%	-38%

*\*Any estimates were calculated using a procedure that was internally audited. No data is available for travel on London Underground, buses, trams or coaches.*

*\*\*Waste tonnage data has been estimated using a procedure that is internally audited.*

## Energy

Spend	2009/10	2013/14	2014/15
Building energy expenditure (gas & electricity)	£1,393k	£1,238k	£1,175k

The Authority occupies 168 leased properties across England, Wales and Scotland.

An overall 3% reduction in carbon emissions from buildings has been achieved since the baseline year 2009-10. This is largely due to moves into more efficient buildings which, in conjunction with a mild winter in 2014/15, have led to a significant reduction in gas consumption of 20% since 2009/10.

The delivery of a net reduction in carbon emissions from buildings should be viewed as a significant achievement given that the total floor space occupied

by the estate has increased by approximately 16% since 2009-10, driven largely by growth in new operational locations in support of frontline policing. Carbon emissions increased by 0.3% in 2014-15. This is attributable to a change in the carbon emission factors published by DEFRA. These factors are set on an annual basis and reflect the mix of electricity delivered by different power stations. The carbon emission factor increased in 2014/15 due to more coal fired power stations being brought online which, in turn increased the carbon intensity of the electricity being delivered across the country.

LED lighting was extended at Axis House Birmingham during 2014/15 to cover two further wings on the second floor. This further increases energy saving lighting already installed on the first floor of this building.

An energy contract review was undertaken in early 2015 which looked at transferring as many sites as possible over to the Crown Commercial Service contracts for utilities. This ensures that BTP receives the best value possible for utilities and provides an improved data collection/monitoring stream to improve reporting accuracy. Work will be carried out during 2015-16 to review utility costs from third party lease arrangements to realise further savings.

The organisation is rolling out virtualised desktop infrastructure over the course of 2015, which includes thin client machines. This should result in a reduction in energy consumption by technology, both at a local level from the machines themselves and at a more global level with a reduction in localised server room equipment.

The proposed Estates Strategy seeks to maximise utilisation of the existing estate, with large premises such as Caledonian Road targeted for rationalisation upon lease expiry, and forthcoming investments in mobile technologies offering opportunities to pursue 'agile working' to reduce the need for floor space.

**Fleet fuel efficiency**

<b>Spend</b>	<b>2009/10</b>	<b>2013/14</b>	<b>2014/15</b>
Fleet fuel expenditure (including grey fleet)	£1,275k	£1,939k	£1,757k

The Authority has 561 owned or leased vehicles playing a pivotal role in responding to crime and disruption.

Carbon emissions from fleet vehicles decreased by 6% compared with 2013/14 and 2009/10. These reductions are due to a more efficient fleet and the rollout of more electric vehicles.

The on-going vehicle replacement programme procures new vehicles through the Home Office Procurement Framework set up by the National Association of Police Fleet Managers (NAPFM). The Framework works to replace old vehicles with more fuel efficient ones.

Vehicles are replaced based on their usage and this is reviewed every year. The CO2g/km rating of the vehicles has been actively reduced and is currently under 120g/km for non-response vehicles, which is below the national recommended rate.

The fleet of hybrid electric Vauxhall Amperas has been increased from one in 2013-14 to six in 2014-15 after their initial trial was a success. The vehicle has a published range of 300 miles on a fully charged battery ,BTP’s annualised average fuel efficiency is 75 mpg, almost double that of a typical non-response vehicle. The mix of eco-friendly vehicles within the fleet will be expanded further in 2015-16 with the introduction of more hybrid vehicles.

Telematics (‘black box’) units are currently being trialled in 51 vehicles across the fleet. This trial is in the evaluation phase and will be completed later in 2015. The system will enable to fleet team to improve vehicle deployment and monitor driver behaviour.

### **Business travel**

<b>Spend</b>	<b>2009/10</b>	<b>2013/14</b>	<b>2014/15</b>
Business Travel Expenditure (flights & rail)	£290k	£384k	£319k

BTP polices over 10,000 miles of the national rail system, more than 2,500 national rail stations and 5.5 million daily passengers on national rail, London Underground and the Docklands Light Railway.

The national jurisdiction of the Force requires extensive business travel across England, Wales and Scotland. There was a 2% decrease in business travel year-on-year and a 65% reduction since 2009/10. Spend however has increased, largely due to the rising cost of rail fares during the past five years.

The number of domestic flights has dropped by 25% since the base year 2009-10. This can be attributed to the rollout of video conferencing facilities to more locations, and the mandation of alternative to flights via the business travel application process, alongside other improvements to the travel management process such as a move to online booking procedures and the increased availability of discretionary rail passes which encourage rail travel over air travel.

### **Waste**

<b>Spend</b>	<b>2009/10</b>	<b>2013/14</b>	<b>2014/15</b>
Total waste expenditure (including recycling and IT waste)	£140k	£136k	£189k



Over the course of the GGC BTP has achieved a reduction of 23% of general waste due in large part to the increased availability of recycling facilities and improved staff awareness across the Force.

However, the amount of waste being sent to landfill increased in 2014-15, potentially as a result of the Force Restructure Programme which added an additional 200 officers to frontline establishment and facilitated a widespread housekeeping exercise in changing the Force structure from eight Areas to four Divisions.

Waste costs have also increased in 2014-15. This is due to the large scale clearance of archiving material at Caledonian Road under operation Canberra in 2014-15 which significantly increased the amount of recycled shredded paper produced this year.

The Force intends to include a national waste management service within the forthcoming Facilities Management contract tender. This will greatly improve compliance with the Waste Regulations to provide recycling collections at all BTP sites, as well as boost progress towards achieving the GGC target of zero waste to landfill.

### **Paper**

<b>Spend</b>	<b>2009/10</b>	<b>2013/14</b>	<b>2014/15</b>
Office paper expenditure	£75k	£79k	£57k

GGC requires a 25% reduction in paper consumption, a target narrowly missed with the Force achieving an overall 19% reduction by 2014-15.

Paper consumption in the final year 2014-15 decreased by an impressive 23%.

In 2014-15 the Force rolled out a fleet of 280 multi-functional devices (MFDs) under a new national managed print service contract.

This project withdrew 213 inefficient older model MFDs and over 200 standalone inkjet printers from sites, and enforced a corporate suite of print rules which default all machines to duplex, mono printing. The Force is in the process of mandating PIN-enabled 'pull' printing as a further measure to eliminate waste prints.

### **Water**

<b>Spend</b>	<b>2009/10</b>	<b>2013/14</b>	<b>2014/15</b>
Water Expenditure	£77k	£80k	£82k

The GGC requires an absolute reduction in water consumption per FTE.

Between 2009-10 and 2014-15, a 38% reduction in water consumption was achieved and the target met. The rollout of zip taps, reactive maintenance quickly addressing any water leaks and dual flushes on all new toilets have all contributed to this reduction.

BTP's water consumption per FTE is 13m<sup>3</sup>, representing a 7m<sup>3</sup> reduction in the organisation's overall rate of consumption per FTE since 2009/10. This is, however, above the recommended good practice guidance of 6m<sup>3</sup> and represents an on-going challenge.

In 2014-15, there were 19 best practice premises, 9 good practice, and 32 poor practice properties. This is an improvement on the baseline position from 2009-10.

A.C. Figgures CB CBE  
Accounting Officer  
Date 02 June 2015

## Chief Executive's Report

### Structure of the Authority

The membership of the Authority during 2014-15 is set out below:

Urmila Banerjee CBE

*Chairman*

#### *BTPA responsibilities:*

- Police Authority: Chairman
- Strategy and Planning Committee
- Appointments and Remuneration Committee
- Portfolio allocation: Chief Constable
- Authority Lead on Equality and Diversity

#### *Appointments outside BTPA:*

- Working Links: Chair
  - College of Policing: Non-geographic and Non-elected Police and Crime Commissioner
  - East London Trust: Board Member
  - Nominet Trust: Chair (resigned 18 February 2014)
  - High Sheriff of Greater London (tenure ended 11 April 2013)
  - Barts Health NHS Trust: Non-executive director (resigned 7 May 2013)
- 

Brian Phillipott

*Deputy Chairman*

#### *BTPA responsibilities:*

- Police Authority: Deputy Chair
  - Audit and Risk Assurance Committee: Chair
  - Appointments and Remuneration Committee: Chair
  - Strategy and Planning Committee
  - Portfolio allocation: Deputy Chief Constable
- 

Lew Adams OBE (resigned 30 June 2014)

*Member with knowledge and experience of rail employee interests*

#### *BTPA responsibilities:*

- Police Authority
- People and Standards Committee
- Policing Plan Group
- Pension Working Group
- Portfolio allocations: London North area and Lead on Health and Safety

#### *Appointments outside BTPA:*

- Brackenbury Manor Owners Limited: Chairman

- Friends of the National Railway Museum, York: Member
  - Transport Benevolent Fund: Patron
- 

Dominic Booth (appointed 1 September 2013)

*Member with knowledge and experience of providing railway services*

*BTPA responsibilities:*

- Police Authority
- Strategy and Planning Committee
- Finance Committee: Chair (from 18 March 2014)
- Policing Plan Group
- Portfolio allocations: London South

*Appointments outside BTPA:*

- Abellio Group: Managing Director for the UK
  - Northern Rail: Board Member
  - Mersey Rail: Board Member
  - Greater Anglia: Board Member
  - ScotRail: Board Member
- 

Patrick Butcher (Resigned 1 November 2014)

*Member with knowledge and experience of providing railway services*

*BTPA responsibilities:*

- Police Authority
- Strategy and Planning Committee

*Appointments outside BTPA:*

- Network Rail: Group Finance Director
- 

Catherine Crawford OBE (appointed 1 September 2013 – March 2015)

*Member with knowledge and experience of passenger interests*

Catherine Crawford served as a member of the Authority since September 2013. Sadly, Catherine died in March 2015. Catherine was a valued, respected and well liked member of the Authority Team and she will be sadly missed.

*BTPA responsibilities:*

- Police Authority
- Audit and Risk Assurance Committee
- Appointments and Remuneration Committee
- Performance Review Committee
- Policing Plan Group
- Portfolio allocations: London Underground

*Appointments outside BTPA:*

- Cambridgeshire: Police and Crime Commissioner and Member Joint Audit Committee
  - Maytree Trust: Trustee
  - Police Foundation: Trustee
  - Internet Watch Foundation: Board Member
  - Bell Foundation: Trustee
- 

Elizabeth France CBE

*Member with knowledge and experience of passenger interests*

*BTPA responsibilities:*

- Police Authority
- Strategy and Planning Committee
- Performance Review Committee
- People and Standards Committee
- Policing Plan Group
- Portfolio allocations: North Western Area

*Appointments outside BTPA:*

- Office for Legal Complaints: Chair
  - Security Industry Authority: Chair
  - Aberystwyth University: Vice-President
  - Manchester University General Assembly: Member
  - UK Public Affairs Council: Chair (Appointments Committee)
- 

Len Jackson

*Member with knowledge and experience of passenger interests*

*BTPA responsibilities:*

- Police Authority
  - Appointments and Remuneration Committee
  - Strategy and Planning Committee
  - People and Standards Committee: Chair
  - Portfolio allocations: North Eastern Area
  - Ministry of Defense Police Committee Member: Non-Executive Director with MOD
- 

Bill Matthews

*Member with knowledge and experience of passenger interests in Scotland*

*BTPA responsibilities:*

- Police Authority
- Audit and Risk Assurance Committee

- Finance Committee
- Performance Review Committee
- Policing Plan Group
- Pension Working Group
- Portfolio allocations: Scotland Area and ACC (Scotland)

*Appointments outside BTPA:*

- Security Industry Authority: Deputy Chair
- BBC Trust: Trustee for Scotland
- HubWest Scotland Limited: Chair
- BBC Pension Trust Limited: Chair
- M2M2 Limited: Director

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Mark Phillips (appointed 1 September 2013)

*Member with knowledge and experience of providing railway services*

*BTPA responsibilities:*

- Police Authority
- Strategy and Planning Committee
- People and Standards Committee
- Performance and Review Committee
- Policing Plan Group: Chair
- Portfolio allocations: South Division

*Appointments outside BTPA:*

- RSSB- Director of Standards

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Andrew Pollins (appointed 1 September 2013)

*Member with knowledge and experience of providing railway services*

*BTPA responsibilities:*

- Police Authority
- Audit and Risk Assurance Committee
- Performance and Review Committee
- Pension Working Group: Chair

*Appointments outside BTPA:*

- London Underground Limited – Finance Director
  - London Underground Limited, Docklands Light Rail Limited, Rail for London Limited, Tramtrack Croydon Limited, TfL Trustee Company Limited - Director
  - Transport for London Pension Fund - Trustee Director
-

Stella Thomas

*Member with knowledge and experience of passenger interests in Wales*

*BTPA responsibilities:*

- Police Authority
  - Audit and Risk Assurance Committee
  - Finance Committee
  - People and Standards Committee
  - Policing Plan Group
  - Portfolio allocations: Wales and Western
- 

Anton Valk

*Member with knowledge and experience of providing railway services*

*BTPA responsibilities:*

- Police Authority
- Strategy and Planning Committee: Chair
- Appointments and Remuneration Committee
- Pension Working Group

*Appointments outside BTPA:*

- Managing Director Valk Management & Advice LTD
-

## **Engagement with employees**

The following staff associations are recognised by BTP:

- British Transport Police Federation
- Superintendents Association
- Transport Salaried Staff Association

The following support groups operate in BTP:

- Association of Muslim Police
- Christian Police Association
- Disability Equality Support Association
- Lesbian, Gay, Bisexual and Transgender Support Association
- Support Association for Minority Ethnic staff

Employees also have access to the Jewish Police Association.

BTP has a policy for managing disability in the workplace which sets out the organisation's approach to disability equality. The policy aims to promote the overall health and wellbeing of all employees by putting in place an approach which stresses the importance of adopting an individual approach to each employee, ensuring adjustments are based on a specific assessment of their needs. The policy ensures that disabled employees are viewed in terms of their contribution and the value they bring to the organisation.

The Authority, via its Performance Review Committee, has been working closely with BTP during 2014-15 to review its equality objectives and identify priorities to inform the BTP Equality and Diversity Strategy to 2019

## **Resource availability**

A high level of attendance from officers and staff is essential to BTP's service. The Authority's Performance Review Committee is responsible for monitoring the attendance of police officers and police staff. The 2014-15 Policing Plan set a target of less than 7.3 days of sickness absence per employee, the actual overall number of days sickness per employee was 7.4.



The breakdown of the number of days sickness is as follows:

	<b>2014-15</b>	<b>2013-14</b>
Police officers	7.9	6.8
Police staff	6.8	7.9
Police community support officers	6.6	9.3
All officers and staff	7.4	7.3

The staff costs and details on the average number of persons employed are set out in note 4 to the accounts.

### **Research and development activities**

The Authority undertakes research into a wide range of activities. The findings are used to develop and improve BTP's operational and support capabilities to deliver its key objectives to reduce and investigate crime and provide public safety and assurance as well as the overall efficiency of BTP.

Some notable examples include:

- In depth consultation with senior industry stakeholders to understand how BTP is viewed and valued key stakeholder groups – the reach of this work was broadened this year to specifically include industry heads of security for the first time
- Consultation with passengers and rail staff to ensure that their views are taken into account when setting targets and priorities. This year questions on the National Rail Passenger Survey have been refreshed and a new rail staff survey developed with BTP
- Working with passenger representative groups to broaden the Authority's network of contacts and information sources
- Identification and sharing of best practice with other police forces and organisations to improve processes and ways of working
- Regular strategic reviews of the external environment in which BTP will be operating in the short and medium term to provide a guide and reference tool for its decision makers;
- Regular analysis of intelligence and other information to optimise use of resources.

### **Environmental matters**

The following environmental activities have been completed during 2013-14 as part of the Authority's environmental strategy:

- Ensuring that all of the Authority's and BTP's works and projects met legislative requirements
- Designing energy efficiency into new buildings, equipment and services
- Reducing material consumption in BTP and Authority operations
- Ensuring reuse rather than dispose of, whenever possible
- Promoting recycling and the use of recycled materials within BTP and the Authority

A detailed Sustainability Report has been included on page 13.

### **Personal data related incidents**

There were 42 (2013-14: 49 restated from 15 which was the reported figure last year) incidents involving personal data breaches. Of these 3 (2013-14: 0) were reported to the Information Commissioner.

### **Estates**

The Authority does not hold extensive estates. The majority of its property is leased from Network Rail.

### **Pension arrangements**

BTP has follows IAS 19: *Employee Benefits* which has resulted in the liabilities of the British Transport Police force Superannuation Fund ("BTPFSF") and the British Transport Section of the Railways Pension Scheme ("RPS") being recorded on the Statement of Financial Position. Refer to notes 22 and 23 for further disclosure relating to the two pension schemes. Refer to note 1.22 for the Authority's accounting policy for pensions.

An actuarial valuation of the Police Staff pension section of the RPS fund was agreed as at December 2013. The valuation presented a funding level of 105.5% on an asset base of £86.3m.

The last full valuation of the British Transport Police Superannuation for Police Officers' fund took place as at 31 December 2012. It had an asset base of £846m and had a funding level of 98%. A recovery plan to make good the deficit of £18m was agreed with the Trustee of the fund.

### **Auditors**

The accounts of the Fund are audited by the Comptroller and Auditor General ("C&AG") under the Railways and Transport Safety Act (2003). The cost of the audit is £106,000 (2013-14: £116,000). The C&AG did not undertake any non-audit work for the BTPA (2013-14: £nil).

As far as the Chief Executive, as Accounting Officer for the Authority, and the Finance Director are aware, all relevant audit information has been made

available to the auditors. The Chief Executive has taken all necessary steps required to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Events occurring after the reporting date**

There have been no events occurring after the reporting date of 31 March 2015 that would have a material impact on this Statement of Accounts.

The date the accounts are authorised for issue is the date that they are certified by the Comptroller and Auditor General.

A.C. Figgures CB CBE  
Accounting Officer  
Date 02 June 2015

## Statement of Accounting Officer's responsibilities

Under the Railways and Transport Safety Act (2003) the Secretary of State for Transport has directed the Authority to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Authority and of its income and expenditure, cash flows and taxpayers equity for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Account Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

The Accounting Officer of the Department has designated the Chief Executive as the Principal Accounting Officer of the Authority from 12 April 2010. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Authority's assets, are set out in the HM Treasury publication Managing Public Money.

The Chief Constable has been appointed as an Additional Accounting Officer.

## Governance Statement

### **Accounting Officer's introduction to corporate governance**

As Accounting Officer for the British Transport Police Fund I have responsibility for maintaining a strong system of internal control that supports the achievement of the British Transport Police Authority ("the Authority") policies, aims and objectives, whilst safeguarding the funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me by the Secretary of State for Transport.

The Chief Constable is appointed as an additional Accounting Officer with particular responsibility for the budget, transactions and associated matters relating to BTP's financial management, policies, aims and objectives.

The Authority Chair ("Chair") and I, as Chief Executive of the Authority have access to the Secretary of State for the Department for Transport and the ministerial team when required to discuss policing and strategy. The Chief Constable has similar access to discuss operational policing. I, as Chief Officer together with the Chief Constable have regular meetings with DfT officials and the Permanent Secretary. The Authority Finance Director attends meetings with the DfT financial leadership team, including the DfT Finance Director, on a regular basis.

### **The Structure of the Police Authority**

The purpose of the Authority is to ensure an efficient and effective police force. Its statutory duties are:

- Secure the maintenance of an efficient and effective police force
- Ensure the efficient and effective policing of the railways
- Appoint the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and the Director of Corporate Resources
- Enter into Police Service Agreements with railway operators
- Regulate the government, administration and conditions of those employed by the Force
- Set a strategy for policing the railway
- Set objectives for the policing of the railway
- Set the budget each year of expected income and expenditure and recover the costs

In discharging these functions the Authority bases its decisions on:

- the requirements of passengers, staff, other rail users and stakeholders in relation to personal security and policing
- the professional advice from the Chief Constable
- the commercial and operational challenges of the rail and train operating companies and their priorities for policing

With this knowledge, as an independent body, the Authority then makes its own judgements about how to secure an efficient and effective police force which it reflects in its Strategy, Policing Plan and budget decisions.

The Chair and Members of the Authority (“Members”) are appointed by the Secretary of State. Members are drawn from people who have experience of the rail industry, railway staff, the travelling public and others with designated experience, but they are not intended to be representatives of those interests. There are also Members with knowledge of the interests of persons in England, Scotland and Wales, in the case of the latter, two Members have been appointed in consultation with Scottish ministers and the Welsh Government respectively. In the Authority, Members work together and act as a single corporate body.

The Chair has particular responsibility to provide effective and strategic leadership to the Authority. The Chair will ensure that all Members of the Authority, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities and will undertake an annual appraisal of Members. The Chair will work closely with the Chief Constable and the Chief Executive to facilitate the business of the Authority.

Members each have a corporate and collective responsibility to ensure that the Authority properly discharges its functions. In doing so, each Member is required to attend all full Authority meetings and the meetings of those committees and groups to which they have been allocated. In addition to attendance at full Authority and committee meetings, the Authority may agree that Members should take on additional roles to assist in furthering the Authority’s objectives.

Details of the Members are set out on pages 18 to 22 of the Director’s report.

The Authority meets six times a year. At three of these meetings the Authority is required to make specific annual decisions.

Attendance by the Members during the year at the full Authority is set out below:

<b>Member name</b>	<b>Number of full Authority meetings eligible to attend</b>	<b>Number of full Authority meetings attended</b>
<b>Members as at 31 March 2015</b>		
Urmila Banerjee	6	5
Brian Phillpott	6	6
Dominic Booth	6	6
Elizabeth France	6	6
Len Jackson	6	5
Bill Matthews	6	5
Andrew Pollins	6	5
Mark Phillips	6	6
Stella Thomas	6	6
Anton Valk	6	6
Catherine Crawford	5	2
<b>Members who left during the year</b>		
Lew Adams	1	1
Patrick Butcher	2	1

### **Executive Team**

The Authority has an Executive Team of twelve led by myself, Andrew Figures, Chief Executive. I am the principal advisor to the Authority and I

lead and direct the Authority staff to ensure the Authority achieves its objectives. I am also the Accounting Officer of the Authority.

Charlotte Vitty serves on the team as Authority Finance Director and Deputy Chief Executive. Charlotte provides independent financial advice to the Authority in all aspects of its activity, including the strategic planning and policy making process, as well as on budgetary matters. The Authority Finance Director works closely with BTP's Director of Corporate Resources and BTP's Head of Finance to ensure that the financial affairs of the Authority and the Force are properly administered and financial regulations are observed and kept up to date.

Ben Wright served on the team as Interim Authority Finance Director until September 2014.

## **How the Authority Works**

### **Each year the full Authority:**

- Updates its medium term strategy and annual policing plan in consultation with its stakeholders;
- Ensures that BTP is adequately resourced and has a budget that reflects the strategy, plans and priorities agreed with the Chief Constable and provides value for money.
- Recovers the costs of policing the network, from the rail and train operating companies who use it.
- Keeps under review what happens on the ground to ensure that objectives are achieved and to inform the roll forward of the strategy and plans.

The Authority has agreed an annual business cycle for its work to help it ensure that it maintains focus on key work streams in a timely and efficient way. It meets six times a year. There are three Authority meetings where there is a fixed agenda and specific annual decisions and approvals are required.

Standard decisions to be made through the year include

- Approve a budget, strategy and medium term financial plan in December of each year
- Approve a policing plan in March
- Approve annual accounts so that they can be signed off by the Accounting Officer in June.

The Authority conducts most of its business through its meetings. It appoints groups of Authority Members as necessary to take forward its business and to handle specific matters.



The Chair of the Authority after consultation with Members and the Chief Executive is authorised to appoint to such groups as necessary. All such groups will be reviewed at the annual meeting of the Authority.

All decisions are made at the full Authority unless specifically delegated to a Group or Committee and enshrined in its terms of reference. The full Authority retains total responsibility for governance.

During the year the Authority completed the following key actions:

- The BTP strategic plan for the period from 2013 to 2019 was approved
- The overall budget for 2015/16 was approved (an increase of 1.7% compared to 2014-15)
- The Authority approved the use of £0.79m of under spend in 2014-15 to reduce the charges for the train operating companies in 2015-16
- The Authority approved the use of £1.1m of under spend in 2014-15 to contribute to funding the Transformation Programme
- The assumptions and the results of the valuation of the British Transport Police Force Superannuation Fund (BTPFSF) and the British Transport Police Section of the Railways Pension Scheme were agreed with the Trustee of the scheme.
- The implementation of the new CARE scheme under the BTPFSF which aims to provide benefits which are broadly equivalent to those provided by the Home Office for new officers.
- The financial scheme of delegation was refreshed and the Cabinet Office required authorisations were incorporated in these delegations.

The Authority maintains six standing committees:

- Appointments and Remuneration
- Audit and Risk Assurance
- Finance
- Performance Review
- People and Standards
- Strategy and Planning

### ***Appointments and Remuneration Committee***

The Appointments and Remuneration Committee has delegated responsibility from the Authority to approve the remuneration packages and performance related pay for executive appointments at the Authority and chief officers and equivalents at BTP.

The Appointments and Remuneration Committee is given the responsibility of reviewing the detail and making recommendations to the Authority on police officer and staff terms and conditions below chief officer ranks and has no delegated powers to approve proposed terms and conditions changes for officers and staff.

The Appointments and Remuneration Committee is responsible for:

- Acting on behalf of the Authority to make the arrangements for and appointment of chief officers and equivalent appointments, including the approval of the recruitment process and contracts of employment for chief officers.
- Acting on behalf of the Authority, working with the Chief Constable, to make chief officer temporary and acting appointments expected to last beyond 6 months.
- Acting on behalf of the Authority, working with the Chief Constable, to agree chief officer secondments to and from the force expected to last beyond 6 months.
- Determining the payment or otherwise, of performance related payments and other remuneration packages to the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and equivalents.
- Acting on behalf of the Authority to make the arrangements for and appointment of the Chief Executive and Authority Finance Director.
- Considering and approving the remuneration package for the Chief Executive and Authority Finance Director.
- Considering and approving packages on termination for employees of chief officer rank or equivalent in both BTP and BTPA. For the avoidance of doubt, this includes for example discretionary awards and payments, discretionary pension enhancements and ex gratia payments.
- Considering any relevant matters in respect of Police Negotiating Board, Police Advisory Board, and other national bodies in relation to police officer and police staff terms and conditions and recommend a way forward to the Authority.
- Having due regard, in exercising the Committee's responsibilities, to equal opportunities and the requirements of equalities legislation.

The Appointments and Remuneration Committee meets at least 2 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary. The Appointments and Remuneration Committee will formally report in writing to the Authority after each meeting.

## ***Audit and Risk Assurance Committee***

The purpose of the Audit and Risk Assurance Committee is to review and advise on matters relating to the internal and external audit of the Authority. It also provides an opinion on the effectiveness of the monitoring processes and whether reliance can be placed on the Authority's internal controls. The Audit and Risk Assurance Committee meets four times a year, the Chair may convene additional meetings as they deem necessary, and formally reports in writing to the Authority after each meeting.

The Audit and Risk Assurance Committee will provide the Authority and Accounting Officer with an Annual Report, timed to support finalisation of these financial statements and this Governance Statement, summarising its conclusions from the work it has done during the year.

The Audit and Risk Assurance Committee advises the Authority on:

- The effectiveness of the BTPA and BTP's plans for risk management and business continuity, including disaster recovery, and strategic processes for risk, control and governance and the Governance Statement
- The accounting policies, the accounts, and the annual report, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors
- The planned activity and results of both internal and external audit and Her Majesty's Inspectorate of Constabulary
- The adequacy of management's response to issues identified by audit activity, including external audit's management letter
- The assurances relating to the corporate governance requirements for the organisation
- Anti-fraud and corruption and whistleblowing processes
- Compliance with and performance against statutory duties

The Audit and Risk Assurance Committee may also approve the internal and external audit strategy.

The Audit and Risk Assurance Committee have delegated responsibility from the Authority for:

- Financial statements and Governance statement (May meeting)
- Annual Health and Safety opinion (May meeting)
- Management Assurance Return (January and May meetings)

The internal audit and the external audit team have free and confidential access to the Chair of the Audit and Risk Assurance Committee.

The Audit and Risk Assurance Committee meets at least four times a year, The Chair of the Committee may convene additional meetings, as they deem necessary. The Audit and Risk Assurance Committee will formally report in writing to the Authority after each meeting.

### ***Finance Committee***

The Finance Committee is responsible for:

- Advising the Authority on the preparation of the annual revenue and capital budget
- Assessing financial reports and ensuring there is effective review of the Authority's financial performance
- Reviewing the annual Police Service Authority ("PSA") charges
- Assessing progress against delivery and spend on capital projects and major revenue schemes approved by the Authority in accordance with the scheme of delegation
- Examining post completion reports for all capital and major revenue schemes approved by the Authority in accordance with the scheme of delegation
- Preparing a quarterly summary of spend versus budget to be prepared and sent to the Authority members for review and comment

The Finance Committee meets at least six times a year, The Chair of the Committee may convene additional meetings, as they deem necessary. The Finance Committee will formally report in writing to the Authority after each meeting.

### ***Performance Review Committee***

The Performance Review Committee is responsible for reviewing British Transport Police's recent performance.

The Performance Review Committee is responsible for:

- Monitoring and challenging BTP's operational and organisational performance and efficiency against criteria which are defined and refreshed annually to include operational and organisational KPIs and outputs from external inspections
- Overseeing the deployment of taser and firearms and ensuring the delivery of mandatory training to maintain these capabilities
- Providing a regular update to the Authority on progress with performance including the key issues and actions arising
- Requesting and considering information from BTP, BTPA, stakeholders and other sources to support scrutiny activities in terms of internal and external comparison and benchmarking of performance

- The preparation of the Authority's Annual Performance Report

The Performance Review Committee meets at least four times a year. The Chair of the Committee may convene additional meetings, as they deem necessary. The Performance Review Committee will formally report in writing to the Authority after each meeting providing a quarterly performance report and highlighting any other significant matters arising.

### ***People and Standards Committee***

The People and Standards Committee is responsible for:

- Assessing the measures taken by BTP to ensure police integrity, counter corruption and identifying breaches of regulations
- Responding to consultations on police integrity and pertaining to professional standards
- Assessing the impact to the Authority and BTP of proposed changes in the professional standards and police integrity area, making appropriate recommendations to the Authority
- Satisfying itself as to the operation of the complaints, discipline and grievance processes within BTP
- Overseeing BTP compliance with legislative requirements and guidance with respect to custody facilities
- Analysing the output from the independent custody visiting scheme and escalate any issues as appropriate.
- Overseeing BTP's complaints and discipline processes
- Tracking trends in relation to public complaints, non complaint investigations and investigations into civil claims and internal matters conducted by the Professional Standards Department and make recommendations as appropriate
- Monitoring the mandatory requirement for referral of cases to the Independent Police Complaints Commission
- Overseeing the development and maintenance of BTP's capability and representation through the monitoring of key Human Resources data relating to recruitment, retention, progression and management of attendance
- Assessing counter corruption and integrity practices

- Overseeing BTP's human resources and the work of the Professional Standards Department.

The People and Standards Committee meet at least 4 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary. The People and Standards Committee will formally report in writing to the Authority updating on any other significant matters arising.

### ***The Strategy and Planning Committee***

The Strategy and Planning Committee is responsible for:

- Producing a Strategy and Medium Term Financial Plan ("MTFP") for consideration by the Authority
- Preparing the Policing Plan in line with the strategy and stakeholder requirements
- Ensuring an effective consultation with stakeholders in the preparation of the Strategy, MTFP, and Policing Plan
- Agreeing performance metrics with BTP
- Assessing performance against the defined criteria of the Policing and Strategic Plans
- Requesting and considering other information from BTP, BTPA, stakeholders and other sources to support scrutiny activities
- Overseeing development of an annual report from the Authority

The Strategy, Planning and Performance Committee meets at least 4 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary. The Strategy and Planning Committee will formally report in writing to the Authority highlighting progress against the Policing Plan and Strategy development processes and any significant matters arising.

### **Risk management**

Risk management is embedded in the management of the Authority and supported by the Interim Authority Finance Director, a professional risk manager within BTP and the Audit and Risk Assurance Committee.

The approach is underpinned by a policy and standard operating procedure as well as a risk reporting regime that is available to all employees.

Risks are assessed against their potential impacts on safety, finance, performance and reputation on a four-point scale and are considered from both operational and strategic perspectives.

Risk appetite within the Authority is defined by the ability of individual departments to manage risks without recourse to other parts of the organisation rather than by set escalation criteria.

Risks are monitored through risk registers which are reviewed by the BTP Senior Management Team, Authority Executive, Audit and Risk Assurance Committee and the Authority.

The BTP management team review both strategic and operational risks on a quarterly basis. The risks are then reviewed each quarter at Audit and Risk Assurance Committee meetings alongside the Authority's strategic risks.

The BTP and Authority risks are then reported to the Authority at the Authority meetings. The BTP and Authority risks are also presented to the DfT sponsorship team and consolidated in to the DfT risk register where the risks are considered to be a significant risk to the DfT.

### Strategic risks

Strategic risks are rated as high, medium or low dependant on their impact and likelihood. The Authority has considered the risks and during 2014-15 the major risks faced are summarised in the following table:

Thematic risk	Narrative
Charging of core PSA holders	<p>The Railways and Transport Safety Act 2003 requires that the contribution to policing costs made by all parties approximately reflects the nature and extent of functions undertaken in that financial year.</p> <p>The core PSA holders are charged for policing costs using the Matrix charging model ("the model") which has been developed in consultation with the rail industry. The model was first used to calculate the core PSA Holders provisional PSA charge for the 2013-14 financial year and there were no disputes and all invoices have been paid in full.</p> <p>The charges calculated by the model are dependent on a number of variables including actual costs incurred in each police area, police time recorded by BTP command and control, recorded crimes, station usage, timetabled train kilometres and network access charges. Due to the nature and number of inputs into the model there will be variations to the amounts charged to the PSA holders each year. There is a risk that this could lead to disputes with PSA holders if their PSA charges unexpectedly increase compared to the previous year.</p> <p>At the time of reporting there are ongoing discussions with two of the PSA holders regarding the 2015/16 provisional PSA charge and 2013/14 actuals.</p>

	<p>The Authority will continue to review the methodology used in the model to ensure that it represents the fairest possible way to recharge the core PSA holders. The Authority will liaise with the core PSA holders on an ongoing basis to ensure that they are kept aware of any developments to the charging process to minimise the risk of disputes in the future.</p>
New Pension Strategy	<p>The cost of providing a defined benefit pension to police officers and police staff continues to escalate due to the increased life expectancy of current and future pensioners, increases in the cost of living and the potential poor performance of investments.</p> <p>The combined deficit of the British Transport Police Force Superannuation Fund and the British Transport Police Section of the Railways Pension Scheme at 31 March 2015 was £630.3m.</p> <p>To manage the future costs, during 2014/15 the Authority carried out consultation concerning a new Pension Scheme for Police Officers and it was approved and implemented on 1 April 2015.</p>
Scotland Act	<p>Following the publications of the Smith commission report the Authority will need to work with the Scottish Government to develop a model that supports the proposal to evolve the function to the Scottish Government. Dependant on the chosen model additional work will be required with all parties involved along with assessing its impact on the Authority.</p>
Legislative anomalies	<p>As a police service falling under the remit of the Secretary of State for Transport rather than the Home Secretary, BTP together with other non-Home Office police forces is sometimes overlooked when legislation affecting the powers of police forces is drafted. An example of this would be the power to require registered owners of vehicles to provide information under the Road Traffic Act.</p> <p>The Authority has recognised that there is a need to address this and has met with the Home Office to address these anomalies. A number of amendments were included in the Infrastructure Act which received Royal Assent in February 2015. There are still a number of amendments that the Authority would like considered, these will be progressed now that the General Election has been completed in May 2015.</p>
Enhanced Police Service Agreement ("EPSAs")	<p>When an EPSA is signed BTP will go and recruit the required number of police officers to complete the required work. The EPSA contracts will generally be for a period of one year.</p> <p>If a number of parties decided to not renew their EPSA agreements at the same time it could result in BTP losing funding for a number of police officers at the same time.</p>



	A report listing has been prepared that lists the EPSAs, value of the agreements and number of police officers that are employed and this is monitored on an ongoing basis to ensure that BTPA is not exposed to a significant decrease in revenue.
Emergency Services Mobile Communication Programme.	<p>The Home Office are replacing the existing Airwave emergency services system with a new integrated voice and broadband service.</p> <p>The BTP may not be provided the funding for the transition from Airwave to ESMPC due to BTP's different funding arrangements. This could result in increased costs from transitioning to the new service.</p>

### **Commentary on internal control**

The Authority's internal auditors, (Government Internal Audit Agency), take a risk based approach to the internal audit. The annual internal audit plan was agreed by the Authority and the planned work for 2014-15 has been completed. All control weaknesses that have been identified are being addressed through management action plans.

There is a requirement for the Authority to complete and return the DfT Management Assurance Return twice a year. The Authority use the work associated with completing this return as a basis to identify potential weaknesses in systems of internal control which inform the planning of the annual internal audit plan.

Whilst considerable progress has been achieved throughout the year, and the robustness of the assurance has been improved, further work is planned to encourage continuous improvement and prevent risk-averse attitudes undermining achievement of objectives. Internal audit and the NAO are consulted on all significant proposed changes.

### **Data security issues**

The Authority has recorded no data security breaches that it was not able to manage adequately or resolve.

### **Conclusion**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control and compliance with the Corporate Code of Governance for the Authority. My review is primarily informed by the work of internal audit, by the management assurance reporting of the Interim Authority Finance Director and the executive managers in BTP who are responsible for the development and maintenance of the internal control framework and by comments made by external auditors in their management letter and other reports.

The Chief Constable as Additional Accounting Officer has written to me at the year end confirming that all managers who have been provided with delegated responsibility have understood and fulfilled their responsibilities with regard to the operating cost budget.

The 2014-15 annual internal audit report has stated that during the financial year moderate assurance can be taken on the adequacy and effectiveness of the arrangements for corporate governance, risk management and internal controls. The internal auditor report noted that systems are working effectively except for some areas where weaknesses or opportunities to improve have been identified. Where weaknesses or gaps have been identified, these have either been addressed or are in the process of being addressed which should provide a more robust internal control environment going forwards. In the prior year the internal auditor rating was 'reasonable', however during 2014/15 they have moved to a new four category opinion system as part of standardising methodology across the Government Internal Audit Agency.

I am therefore confident that the Authority has in place a robust system of accountability, which I can rely on as Accounting Officer, and which complies with the corporate governance code. The system allows me to provide the assurance that the Authority will spend its money in line with the principles set out in Managing Public Money.

Having reviewed the evidence provided to me by the management assurance exercises, the risk registers, the summary annual 2014-15 report presented by the internal auditors and the external audits of the fund, I am satisfied that the Authority has maintained a sound system of internal control during the financial year 2014-15

A.C. Figgures CB CBE  
Accounting Officer  
Date 02 June 2015

## Remuneration report

### The Appointment of the Members of the Authority

The constitution of the Authority is set by the Railways and Transport Safety Act, which determines that the Authority must include:

- At least four persons who have knowledge of and experience in relation to the interests of persons travelling by railway

<b>Members</b> <i>(date appointed, retired or resigned)</i>	<b>Commencement of contract</b> <i>(date last renewed)</i>	<b>Term expiry date</b>	<b>Notice period required</b>	<b>Main role</b>
Urmila Banerjee	01/12/2008 <i>(01-12-2012)</i>	30/11/2015	3 months	Chairman
Brian Phillpott	01/04/2012	31/03/2016	3 months	Deputy Chairman
Lew Adams <i>(retired 30 June 2014)</i>	01/07/2004 <i>(01-07-2010)</i>	30/06/2014	3 months	Employee Matters
Dominic Booth	01/09/2013	31/08/2017	3 months	Knowledge of Industry
Patrick Butcher <i>(retired 01 November 2014)</i>	01/09/2011	31/08/2015	3 months	Knowledge of Industry
Elizabeth France	01/07/2010	30/06/2014	3 months	Passenger Interests
Len Jackson	01/05/2012	30/04/2016	3 months	Passenger Interests
Bill Matthews	01/11/2012	31/10/2016	3 months	Passenger Interests and Scotland
Mark Phillips	01/09/2013	31/08/2017	3 months	Knowledge of Industry
Andrew Pollins	01/09/2013	31/08/2017	3 months	Knowledge of Industry
Stella Thomas	01/09/2013	31/08/2017	3 months	Passenger Interests and Wales

Anton Valk	01/09/2011	31/08/2015	3 months	Knowledge of Industry
Catherine Crawford	01/09/2013	31/08/2017	3 months	Passenger Interests

- At least four persons who have knowledge of and experience in relation to the interests of persons providing railway services
- At least one person who has knowledge of experience in relation to the interests of employees of persons providing railway services

Members of the Authority are appointed by the Secretary of State for Transport, with the intention that the Authority is representative of the community it serves and is informed of the views and interests of these groups.

Accordingly the current composition of the Authority is as follows:

- Chairman – Urmila Banerjee CBE
- Deputy Chair – Brian Phillpott
- Five members with knowledge and experience in relation to the interests of persons providing railway services
- One member who has knowledge of and experience in relation to the interests of employees
- Five members who have knowledge of and experience in relation to the interests of persons travelling by railway including those listed below:
  - One member who has knowledge of and experience in relation to the interests of persons and passengers in Wales and who is appointed following consultation with the National Assembly for Wales
  - One member who has knowledge of and experience in relation to the interests of persons and passengers in Scotland and who is appointed following consultation with the Scottish Minister and
  - Two members who have knowledge of and experience in relation to the interests of persons and passenger in England

### **The Members of the Authority**

The following table provides details of all Members who served during the 2014-15 financial year:

Members do not receive termination payments when they leave the Authority.

The Members of the Authority and their roles and interests are detailed in the Structure of the Authority on pages 18 to 22.

The responsibility and purpose of the Authority is detailed in the Governance Statement from pages 28 to 41.

### The Authority Officers

The following table provides details of the Authority Officers who served during the 2014-15 financial year:

Authority Officers	Commencement of contract	Term expiry date	Notice period required	Main role
Andrew Figgures	29/03/2010	Permanent Appointment	6 months	Chief Executive
Benjamin Wright	19/02/2014	24/09/2014 Contingent Labour	1 month	Interim Authority Finance Director
Charlotte Vitty	01/09/2014	Permanent Appointment	3 Months	Authority Finance Director

### The BTP Strategic Command Team

The following table provides details of the BTP Strategic Command Team who served during the 2014-15 financial year:

BTP Strategic Command Team	Commencement of Contract	Term expiry date as at 31 March 2014	Notice period required	Main role
Andrew Trotter	01/09/2009	31/08/2014	6 months	Chief Constable
Paul Crowther	01/05/2014	Permanent appointment	6 months	Chief Constable
	15/09/2009	30/04/2014		Deputy Chief Constable
Adrian Hanstock	14/10/2014	Permanent appointment	3 months	Deputy Chief Constable
Alan Pacey (retired 27 June 2014)	09/01/2006	27/06/2014	3 months	Assistant Chief Constable

				(Force Restructure)
Mark Newton	07/05/2012	31/03/2014	3 months	Temporary Director of Corporate Resources
	01/04/2014	Permanent appointment		Assistant Chief Constable (Force Restructure)
Stephen Thomas	01/07/2007	Permanent appointment	3 months	Assistant Chief Constable (Territorial Policing and Crime)
David McCall	08/03/2004	Permanent appointment	3 months	Assistant Chief Constable (Scotland)
Simon Downey	22/04/2014	Permanent appointment	3 months	Director of Capability and Resources

### **Remuneration of Members, Authority Officers and the Strategic Command Team**

The remuneration policy for Authority Members is determined by the Department for Transport.

The remuneration policy for Senior Officers of the Authority and the BTP Strategic Control Team is determined by the Appointments and Remuneration Committee.

The policy on remuneration is determined by both general factors and factors that are specific to the transport, policing or security industries.

The general factors taken into consideration are:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities

- the regional or local variations in labour markets and their effects on the recruitment and retention of staff

The specific factors relate to policies and guidelines from the Police Negotiating Board which influence the remuneration arrangements for both Chief Officers and other 'non federated' ranks such as Superintendents.

For police support staff, collective bargaining with recognised employee associations determines annual settlements.

The Members of the Authority receive non-pensionable allowances. Members are also entitled to claim expenses for travel, accommodation and subsistence when on Authority business.

The Members' salary and allowances are set by the Secretary of State following consultation with the Authority.

The following table provides the remuneration of the Members:

	2014-15			2013-14			
	Salary	Benefits in kind (to nearest £100)	Total	Salary	Benefits in kind (to nearest £100)	Total	
<b>Members</b>	£0	£	£0	#	£	£0	
Urmila Banerjee	30-35	-	30-35		30-35	-	30-35
Brian Phillpott	25-30	-	25-30		25-30	-	25-30
Lew Adams	# 0-5	-	0-5		15-20	-	15-20
Dominic Booth	15-20	-	15-20		05-10	-	05-10
Patrick Butcher	* -	-	-	*	-	-	-
Catherine Crawford	15-20	-	15-20		05-10	-	05-10
Elizabeth France	15-20	-	15-20		15-20	-	15-20
Len Jackson	15-20	-	15-20	#	15-20	-	15-20
Bill Matthews	15-20	-	15-20	#	15-20	-	15-20
Andrew Pollins	15-20	-	15-20		05-10	-	05-10
Mark Phillips	15-20	-	15-20		05-10	-	05-10
Stella Thomas	15-20	-	15-20		05-10	-	05-10
Anton Valk	15-20	-	15-20		15-20	-	15-20
* No salary taken							
# Full year equivalent £15k-20k							

The following table provides the remuneration of the Authority Officers and Strategic Command Team:

	2014-15				2013-14			
	Salary	Benefits in kind (to nearest £100)	Pension benefits (£'000)	Total	Salary	Benefits in kind (to nearest £100)	Pension benefits (£'000)	Total
	£'000	£	£000	£'000	£'000	£	£000	£'000
<b>Authority Officers</b>								
Andrew Figgures	100-105	20,300	31,000	150-155	95-100	19,800	28,000	145-150
Charlotte Vitty	95-100	5,400	39,000	90-95	n/a	n/a	n/a	n/a
Benjamin Wright*	-	-	-	-	-	-	-	-
<b>Strategic Command Team</b>								
Andrew Trotter	85-90	6,800	39,000	135-140	165-170	35,100	79,000	280-285
Paul Crowther	190-195	10,800	-	205-210	160-165	8,400	-	165-170
Adrian Hanstock	55-60	8,400	16,000	80-85	n/a	n/a	n/a	n/a
David McCall	140-145	4,700	-	145-150	125-130	4,000	-	130-135
Mark Newton	100-105	-	97,000	205-210	95-100	11,800	24,000	130-135
Alan Pacey	65-70	4,900	-	70-75	120-125	4,200	-	125-130
Stephen Thomas	110-115	6,600	-	115-120	110-115	4,900	-	115-120
Simon Downey	90-95	6,800	23,000	120-125	n/a	n/a	n/a	n/a

\* Benjamin Wright's services were obtained through Stanley Road Consulting Ltd. The cost for 2014-15 was (£52,800) (including VAT of £8,800, 2013-14 £18,800 (including VAT of £3,135).

### Salary

Salary includes reference salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. Expenses are not included as they are reimbursed on production of a valid receipt. Under the Authority's salary sacrifice scheme employee pension contributions are paid by the employer and the employee's salary is reduced by the pension payment.

### Bonus payments

The Authority's Appointments and Remuneration Committee took the decision to abolish the Senior Officer bonus scheme from 1 April 2013. This is in accordance with recommendation 89 from the March 2012 Independent Review of Police Officer and Staff Remuneration and Conditions, conducted by Tom Winsor.

There were no bonus payments in 2014-15 for the Authority.



## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. The benefits in kind received include healthcare, use of vehicle and other travel benefits. Pension's contributions made by the employer are treated as a benefit in kind

The amount paid by the employer under the pension salary sacrifice scheme is shown as a benefit in kind.

## Performance pay

In accordance with the guidelines of the Police Negotiating Board, a performance management regime has been implemented, where objectives for the Strategic Command Team are agreed by the Authority. The performance development reviews are initiated at the year-end by the Chief Constable for the Strategic Command Team and the Chief Executive for the Authority's Executive. These are assessed by the Police Authority's Appointments and Remuneration Committee. The only opportunity for performance related pay progression is for assistant chief constables (and civilian equivalents), who progress through a salary scale when their performance is assessed as satisfactory or exceptional. The Chief and Deputy Chief Constables receive a salary on a set rate.

## Median pay

	2013-14	2014-15
	£000	£000
Band of highest paid senior officer (including bonus and benefits in kind)	£200k- £205k	£205k- £210k
Median total remuneration	£35,253	£36,396
Ratio	5.8	5.8

The Authority is required to disclose the relationship between the remuneration of the highest paid Senior Officer and the median remuneration of the Authority's workforce.

The banded remuneration of the highest paid Senior Officer in the Authority in the 2014-15 financial year was £205k-£210k (2013-14: £200k-£205k). This is the Chief Constable who is not the Accounting Officer for the Authority, but is an Additional Accounting Officer for Authority. This was 5.8 times (2013-14: 5.8 times) the median remuneration of the workforce, which was £36,396 (2013-14: £35,253).

In 2014-15 no employees (2013-14: no employees) received remuneration in excess of the highest paid Senior Officer. The remuneration of employees ranged from £16,651.61 to £192,736.20 (2013-14: £15,336 to £192,736).

Total remuneration includes salary, non-consolidated performance related pay, benefits in kind and severance payments. It does not include benefits in kind relating to safeguarded travel as this only affects a small proportion of total employees and does not affect the median. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The median has remained the same in 2014-15 as it was in 2013-14. Though the number of employees increased by 45 in the period from 1 April 2014 to 31 March 2015, employees on higher grades have left BTP and have been replaced by employees on lower equivalent pay grades. The pay award for officers and staff was 1%.

## **Pension benefits**

### **Railways pension scheme – Authority and BTP support staff**

Pension benefits are provided for Authority staff through the Railways Pension Scheme British Transport Police Section. This is a registered pension scheme and intended to be a fully funded scheme which provides benefits on a "final salary" at a normal retirement age of 60. Benefits accrue at the rate of 1/60th of final average pay (less 1/40th of the final average basic state pension) for each year of pensionable service. In addition, a lump sum equivalent to 1/40th of pensionable pay for each year of service is payable on retirement. Members currently pay contributions of 10.06 per cent of pensionable earnings (less 1.5 times the basic state pension). Pensions in payment and deferment are increased in line with Orders made under the Pensions (Increase) Act 1971.

On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service the scheme pays a lump sum death benefit of four times pensionable pay and also provides a service enhancement on computing the spouse's pension, which depends on length of service.

Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow or widower pensions.

### **British Transport Police Force Superannuation Fund – Police Officers**

Pension benefits are provided for Police Officers through the British Transport Police Force Superannuation Fund. This is a registered pension scheme and intended to be a fully funded scheme which provides benefits on a "final salary"

basis. There are two benefit structures in place for members who joined the Fund before and after 1 April 2007.

For Fund members who joined before 1 April 2007 the normal retirement age is 55. Benefits accrue at the rate of 1/45th of final average salary (less 1/30<sup>th</sup> of final average state flat rate pension) for each year of beneficial membership. In addition, a lump sum equivalent to 1/30th of pensionable salary for each year of beneficial membership is payable on retirement. Members currently pay contributions of 16 per cent of pensionable earnings (less 1.5 times the basic State Pension). Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

For Fund members who joined on or after 1 April 2007 the normal retirement age for retirement from service is 55 and for retirement from deferment it is 65. Benefits accrue at the rate of 1/70th of final average salary for each year of service. In addition, a lump sum equivalent to 4/70th of pensionable salary for each year of service is payable on retirement. Members currently pay contributions of 10 per cent of pensionable earnings. Pensions in payment and deferment are increased in line with orders made under the Pensions (Increase) Act 1971.

On death, pensions are payable to the surviving spouse or eligible dependant at the rate of half the member's pension and pensions are available for the member's two youngest children. Survivors' pensions may not be payable in respect of members who joined after 1 April 2007 if they have less than two years' service. On death in service the scheme pays a lump sum death benefit of four times pensionable salary and also provides a service enhancement on computing the spouse's pension, which depends on length of service.

Medical retirement is possible in the event of incapacity. In this case, pensions are brought into payment immediately without actuarial reduction. If the member is unable to work in any capacity (not only as a police officer) they may be granted an enhanced pension at the Trustee's discretion.

### **Cash Equivalent Transfer Value**

A Cash Equivalent Transfer Value ("CETV") is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to another pension scheme.

The increase in CETV effectively funded by the employer is shown. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) utilising commonly used standard market valuation factors for the start and end of the year.

### Pension benefits

Officials	Accrued values at pension age as at 31/03/15		Real increase values at pension age		CETV at 31/03/15	CETV at 31/03/14	Real increase in CETV
	Pension	Lump sum	Pension	Lump sum			
	£000	£000	£000	£000			
Authority officers							
Andrew Figgures	5-10	5-10	0-2.5	0-2.5	202	123	79
Charlotte Vitty	0-5	0-5	0-2.5	0-2.5	5	n/a	5
Strategic Command Team							
Andrew Trotter	30-35	25-30	0-2.5	0-2.5	n/a- Retired 31/08/14	592	n/a
Adrian Hanstock	0-5	0-5	0-2.5	0-2.5	14	n/a	14
Mark Newton	55-60	70-75	5-7.5	2.5-5	958	781	177
Simon Downey	0-5	0-5	0-2.5	0-2.5	17	n/a	17
Paul Crowther	Opted out of scheme 04-04-2012						
Alan Pacey	Retired from scheme 14-07-2012						
David McCall	Retired from scheme 01-09-2012						
Stephen Thomas	Retired from scheme 02-07-2012						

A.C. Figgures CB CBE

Accounting Officer

Date 02 June 2015